

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2949
ANSWERED ON:07.12.2001
DEBT GDP RATIO Q U E S T I O N
ANIL BASU

Will the Minister of FINANCE be pleased to state:

- (a) whether the average fall in the debt-GDP ratio during the last three years has slowed down;
- (b) if so, the reasons therefor; and
- (c) the remedial measures being taken by the Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)to(c): The debt-GDP ratio as measured by the total outstanding liabilities as per cent of GDP (at current market prices) of the Central Government during 1999-2000, 2000-01(RE) and 2001-02(BE) are placed at 52.2 per cent, 53.4 per cent and 53.7 per cent respectively. The Government is conscious of the need for better fiscal management. With a view to achieve fiscal consolidation, the Budget for 2001-02 emphasises expenditure management through the process of bringing about structural changes in the composition of Central Government expenditure, economy in non-plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiatives which among others include restricting fresh recruitment to one per cent of total civilian staff strength, revision in user charges for services provided by the government and its agencies keeping in view the increased cost of these services etc. Further, with a view to reduce interest burden, most administered interest rates were reduced by 1.5 per cent as of March 1, 2001. Besides, the Fiscal Responsibility and Budget Management Bill, 2000 was introduced in Parliament in December, 2000. The Bill omcludes provisions relating to ceilings on debt, deficit and borrowing.